



SOUTHERN GLAZER'S WINE AND SPIRITS

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Economic Matters Committee

**Testimony in opposition of House Bill 565
Alcoholic Beverages - Class 9 Limited Distillery License - Self-Distribution**

Mr. Chairman, Vice Chair and Members:

Southern Glazer's Wine and Spirits of Maryland is a local wholesaler, and we will be negatively impacted by HB 565 and we ask for an unfavorable report on HB 565.

The state's beverage alcohol business is built around the three-tier structure that protects consumers from fraud and counterfeit products while ensuring an orderly marketplace. The three-tier structure also permits efficient tax collection through the wholesale tier.

HB 565 would allow retailers to purchase directly from suppliers and would expose the state marketplace and consumers to fraud and counterfeit, as well as result in compliance burdens on the state.

This bill proposes to create a carveout that on the surface appears to be minor but, would undermine current market and regulatory practices across the entire state of Maryland.

What we are asking the legislature for today is to not pass this legislation but allow the industry to work together to find a market solution rather than a carveout so everyone, including our craft partners, continues to benefit from the efficient, safe, and truly competitive beverage alcohol marketplace.

Thank you for your time and I respectfully request an unfavorable report on HB 565.

Thank you,

Randy Barnhart
Vice President Government Relations
Southern Glazer's Wine and Spirits